

**OVERSIGHT BOARD TO THE CITY OF TORRANCE AS
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF TORRANCE**

AGENDA

JUNE 20, 2012

REGULAR MEETING

**3:00 P.M. – REGULAR BUSINESS BEGINS
IN COUNCIL CHAMBERS AT 3031 TORRANCE BL.**

OPENING CEREMONIES

**1. CALL MEETING TO ORDER
SWEARING IN OF MEMBER
ROLL CALL**

2. FLAG SALUTE

3. REPORT OF THE CITY CLERK ON THE POSTING OF THE AGENDA

The agenda was properly posted on the Public Notice Board at 3031 Torrance Blvd at least 72 hours prior to this meeting. Affidavit on file in the City Clerk's Office. /s/Sue Herbers

**4. ANNOUNCEMENT OF SUPPLEMENTAL, WITHDRAWN OR
DEFERRED ITEMS**

5. ORAL COMMUNICATIONS

(This portion of the meeting is reserved for comment on items not on the agenda. Under the Ralph M. Brown Act, the Board cannot act on items raised during public comment, but may respond briefly to statements made or questions posed; request clarification; or refer the item to staff. Speakers under Orals are limited to no longer than 3 minutes per speaker)

6. ADMINISTRATIVE

6A. Board Secretary – Approve Oversight Board Minutes

Recommendation of the City Clerk that the Oversight Board approve the Oversight Board minutes of May 16, 2012

6B. Selection of Point of Contact to the State Department of Finance

Recommendation that the Torrance Oversight Board appoint a member as the point of contact to the State Department of Finance.

6C. Approval of revised Recognized Obligation Payment Schedules

Recommendation that the Oversight Board approve the revised Recognized Obligation Payment Schedules (ROPS) for the periods of January through June and July through December 2012 in accordance with ABX1-26.

6D. Properties owned by former Redevelopment Agency – Information Item

Recommendation that the Oversight Board accept and file the information item with regard to procedure for retention and disposition of former Redevelopment Agency Owned properties.

7. ORAL COMMUNICATIONS

(This portion of the meeting is reserved for comment on items not on the agenda. Under the Ralph M. Brown Act, the Board cannot act on items raised during public comment, but may respond briefly to statements made or questions posed; request clarification; or refer the item to staff. Speakers under Orals are limited to no longer than 3 minutes per speaker)

8. ADJOURNMENT

Public Notices

The City of Torrance City Hall Council Chambers is handicapped accessible. If special equipment is needed for the hearing impaired, please call the City Clerk's office at (310) 618-2870, twenty-four (24) hours in advance of the meeting and accommodations will be made.

If special electronic equipment is needed to make presentations to the Oversight Board, arrangements should be made in advance by contacting the City Clerk's office at (310) 618-2870. A one (1) week notice is required.

Complete Oversight Board agendas are available for review at City Hall in the Office of the City Clerk and in all public libraries during normal business hours as well as on City of Torrance Home Page – www.TorranceCA.Gov or <http://www.torranceca.gov/24332.htm>.

Any writings or documents provided to a majority of the Oversight Board regarding any item on this agenda will be made available for public inspection at the City Clerk's counter at City Hall located at 3031 Torrance Boulevard, Torrance, CA 90503, during normal business hours.

6A Board Secretary - Approve Oversight Board Minutes

The minutes of the June 20, 2012 meeting will be provided separately by the City Clerk from the Agenda package.

Oversight Board Meeting of
June 20, 2012

Honorable Chair and Members
of the City of Torrance Oversight Board
City Hall
Torrance, California

SUBJECT: Selection of Point of Contact to the State Department of Finance

RECOMMENDATION

Recommendation that the Torrance Oversight Board appoint a member as the point of contact to the State Department of Finance.

BACKGROUND AND ANALYSIS

As a result of ABX1-26, on April 27, 2012, the City of Torrance Oversight Board was formed and had their first official meeting. A Chair and Vice Chair was elected by the Board, a meeting time, date and location was set, the Brown Act was reviewed, Form 700 was discussed, a contact person to the State Department of Finance was selected and Oversight Board bylaws were adopted my resolution.

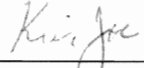
There are seven Board members in total: Two appointed by the Mayor of the City of Torrance, Jeffery W. Gibson, Community Development Director representing the former Redevelopment Agency employees, and Kenneth Flewellyn, Assistant Finance Director for the City of Torrance. The Sanitation District, which represents the largest special district by property tax share with territory in the jurisdiction of the former redevelopment agency, appointed Susan Rhilinger. Representing the County Board of Supervisors are John Parsons and Stephen Maguin. The County Superintendent of Education appointed Patricia Smith, and the Chancellor of the California Community Colleges appointed JoAnn Higden.

On June 5, 2012, the Mayor appointed Mr. Eric Tsao, Finance Director to replace Mr. Kenneth Flewellyn. According to the adopted Bylaws of the City of Torrance Oversight Board "Article 1 Section 5 – Vacancies", when a seat of the Oversight Board becomes vacant, the position will be filled by a member appointed by the agency who originally appointed the former member. Such appointments are to take place within 60 days of the creation of the vacancy and the Governor may appoint individuals to fill a member position that remains vacant for more than 60 days. The appointment has occurred within the required time frame. Mr. Eric Tsao will be required to file a Form 700 in accordance with the California Fair Political Practices Commission.

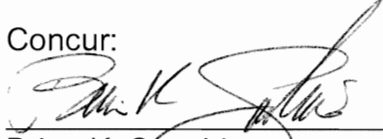
The appointment of Eric Tsao to the Oversight Board has created the need to select a member from the Board as the point of contact to the State Department of Finance.

Respectfully submitted,

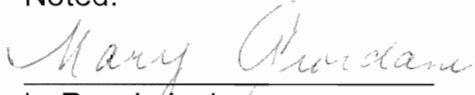
Brian K. Sunshine
Assistant to the City Manager

By: 
for Carolyn Chun,
Senior Planning Associate

Concur:


Brian K. Sunshine
Assistant to the City Manager

Noted:


for LeRoy J. Jackson
City Manager

Board Meeting of
June 20, 2012

Honorable Chair and Members
 of the City of Torrance Oversight Board
 City Hall
 Torrance, California

SUBJECT: Approval of revised Recognized Obligation Payment Schedules

RECOMMENDATION

Recommendation that the Oversight Board approve the revised Recognized Obligation Payment Schedules (ROPS) for the periods of January through June and July through December 2012 in accordance with ABX1-26.

BACKGROUND AND ANALYSIS

Redevelopment dissolution bill ABX1-26 requires that Oversight Boards review and oversee the functions of Successor Agencies. One of the primary responsibilities of the Oversight Board is to approve a Recognized Obligation Payment Schedule (ROPS) for each six month period. On April 27th, 2012, the Board approved the Successor Agency to the City of Torrance Redevelopment Agency draft ROPS for the January through June and July through December 2012 periods. Following receipt of the approved ROPS, the State Department of Finance (DOF) informed the Successor Agency of its intent to review one or more items for compliance.

Staff received a letter from the DOF dated May 11th which identified items on both approved ROPS it deems to be un-enforceable (Attachment C). The January through June 2012 ROPS exceeded the allowable \$250,000 for administrative expenses by \$20,198. On the July through December 2012 ROPS, the DOF issued an opinion that the \$6.7 Million due in FY 2012 for two City Advances to the former Redevelopment Agency were not made within the first two years of the creation of the Redevelopment Agency, and therefore are not enforceable. A letter from the DOF received on May 25, 2012 informed the Agency that, aside from the items mentioned above, the remainder of the ROPS was approved and the respective allocation to the Redevelopment Property Tax Trust Fund would be issued on June 1, 2012 (Attachment D). Although the property tax increment was issued, there are still sufficient funds available for the Oversight Board to hire independent legal counsel.

Staff revised the January through June ROPS with an administrative budget of \$250,000 (Attachment A). It should be noted that staff disagrees with the DOF's interpretation on the City Advances in question. The City of Torrance advanced a principal of \$12,075,682 plus accrued interest of \$37,420,500.21 totaling \$49,496,182.21, with approximately \$6.7 Million due in FY 2012, towards the Industrial Redevelopment Project Area (IRP) within two years of the creation of the IRP in 1983, which complies with Health and Safety Code Section 34171(d). Staff continues to list the \$6.7 Million payment


on the ROPS and has notified the DOF of its intent to contest this interpretation (Attachment B). In addition, staff amended the ROPS to include additional obligations of the former Redevelopment Agency that were not originally listed. These obligations include a landscaping contract for the Downtown Project Area, parking lot maintenance fees, and Southern California Edison street lighting costs.

Staff will continue to update the Oversight Board as more information becomes available. Pending the approval of the ROPS by the Successor Agency to the former Redevelopment Agency of the City of Torrance at its meeting on June 19th, staff recommends the Board approve the revised Recognized Obligation Payment Schedules for the periods of January through June and July through December 2012. The approved revised schedules will be posted on the Successor Agency's website and submitted to the County Auditor-Controller, State Controller, and State Department of Finance.

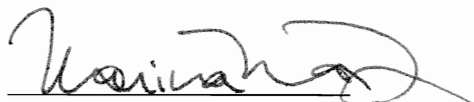
Respectfully submitted,

Brian Sunshine
Assistant to the City Manager

CONCUR:

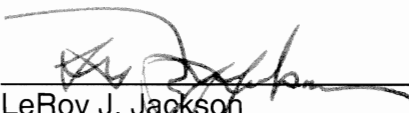


Brian K. Sunshine
Assistant to the City Manager

By 

Marina Martos
Planning Assistant

NOTED:



LeRoy J. Jackson
City Manager

Attachments:

- A) Recognized Obligation Payment Schedule January through June 2012
- B) Recognized Obligation Payment Schedule January through June 2012
- C) Correspondence from the DOF (5/11/12)
- D) Correspondence from the DOF (5/25/12)

Name of Redevelopment Agency: <u>Redevelopment Agency of the City of Torrance</u>		Attachment A		Page 1 of 1 Page									
Project Area(s) <u>Skypark, Downtown and Industrial - combined</u>													
RECOGNIZED OBLIGATION PAYMENT SCHEDULE - AMENDED													
Per AB 26 - Section 34167 and 34169 (*)													
Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation As of June 30, 2011	Payment Source	Total Due During 2011-12 Fiscal Year	Actual Amounts Expended as of 1/18/12	Payments by month						
							January	February	March	April	May	June	Total
2001 Tax Allocation Refunding Bonds (Skypark)	Bank of New York	Bonds issued to fund non-housing project	528,216.10	RPTTF	\$ 352,145.00	\$ 352,144.07	\$ 176,072.00						\$ 176,072.00
Bond Series A (Downtown)	Bank of New York	Bonds issued to fund non-housing project	\$ 10,349,167.00	RPTTF	\$ 577,933.00	\$ 401,881.25			\$ 176,051.00				\$ 176,051.00
Industrial Series B&C Bond (Industrial)	Bank of New York	Bonds issued to fund non-housing project	\$ 36,049,263.00	RPTTF	\$ 2,416,098.00	\$ 1,803,770.63			\$ 612,326.88				\$ 612,326.88
Bond Admin Fee FY11-12 (Downtown)	Bank of New York	admin	\$ 2,000.00	RPTTF	\$ 2,000.00	\$ 1,722.50							\$ -
Bond Admin Fee FY11-12 (Industrial)	Bank of New York	admin	\$ 5,000.00	RPTTF	\$ 5,000.00	\$ 4,188.10							\$ -
Notes Payable, Developer (Industrial)	Honda	OPA Developer Agreement	\$ 1,775,337.00	RPTTF									\$ -
American Honda Interest (Industrial)	Honda	OPA Developer Agreement Interest	\$ 48,000.00	RPTTF	\$ 48,000.00					\$ 48,000.00			\$ 48,000.00
Admin Cost (Downtown)	Successor Agency	Successor Agency/Oversight Board	\$ 63,050.00	ADMIN	\$ 63,050.00				\$ 63,050.00				\$ 63,050.00
Admin Cost (Industrial)	Successor Agency	Successor Agency/Oversight Board	\$ 164,800.00	ADMIN	\$ 164,800.00				\$ 164,800.00				\$ 164,800.00
Admin Cost (Skypark)	Successor Agency	Successor Agency/Oversight Board	\$ 22,150.00	ADMIN	\$ 22,150.00				\$ 22,150.00				\$ 22,150.00
City Advance 1982 (Industrial)	City of Torrance	Non-housing improvements	\$ 56,298.00	RPTTF			\$ -						\$ -
City Advance 1985 (Industrial)	City of Torrance	Non-housing improvements	\$ 48,617,760.00	RPTTF			\$ -						\$ -
Advance from County 1992-2011 (Downtown)	County of Los Angeles	Pass-Through Agreement	\$ 20,250,074.00	RPTTF			\$ -						\$ -
County Pass-Thru Deferred Interest Downtown	County of Los Angeles	Pass-Through Agreement	\$ 896,940.00	RPTTF									\$ -
Total Obligations			\$ 118,828,055.10		\$ 3,651,176.00	\$ 2,563,706.55	\$ 176,072.00	\$ -	\$ 788,377.88	\$ -	\$ 250,000.00	\$ 48,000.00	\$ 1,262,449.88

RECOGNIZED OBLIGATION PAYMENT SCHEDULE - AMENDED
Per AB 26 - Section 34167 and 34169 (*)

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation As of January 31, 2012	Payment Source	Total Due During 2012-13 Fiscal Year	Payments by month											
						July	August	September	October	November	December						Total
1 2001 Tax Allocation Refunding Bonds (Skypark)	Bank of New York	Bonds issued to fund non-housing project	\$ 176,072.03	RP TTF	\$ 176,072.00												\$ 176,072.00
2 Bond Series A (Downtown)	Bank of New York	Bonds issued to fund non-housing project	\$ 9,947,285.75	RP TTF	\$ 576,007.00												\$ 406,051.25
3 Industrial Series B&C Bond (Industrial)	Bank of New York	Non-housing improvements	\$ 34,245,492.00	RP TTF	\$ 2,450,135.00					\$ 406,051.25							\$ 1,872,326.88
4 Bond Admin Fee FY11-12 (Downtown)	Bank of New York	Bond Admin Fees	\$ 2,000.00	RP TTF	\$ 2,000.00	\$ 167.00	\$ 167.00	\$ 167.00	\$ 167.00	\$ 167.00	\$ 167.00	\$ 167.00	\$ 167.00	\$ 167.00	\$ 167.00	\$ 167.00	\$ 1,002.00
5 Bond Admin Fee FY11-12 (Industrial)	Bank of New York	Bond Admin Fees	\$ 5,000.00	RP TTF	\$ 5,000.00	\$ 416.00	\$ 416.00	\$ 416.00	\$ 416.00	\$ 416.00	\$ 416.00	\$ 416.00	\$ 416.00	\$ 416.00	\$ 416.00	\$ 416.00	\$ 2,496.00
6 Notes Payable, Developer (Industrial)	Honda	OPA Developer agreement	\$ 1,775,337.00	RP TTF	\$ 1,775,337.00	\$ 1,775,337.00											\$ 1,775,337.00
7 American Honda Interest (Industrial)	Honda	OPA Developer agreement	\$ 48,000.00	RP TTF	\$ 48,000.00												
8 Admin Cost	Successor Agency	Successor Agency/ Oversight Board	\$ 63,050.00	Admin	\$ 63,050.00	\$ 5,254.00	\$ 5,254.00	\$ 5,254.00	\$ 5,254.00	\$ 5,254.00	\$ 5,254.00	\$ 5,254.00	\$ 5,254.00	\$ 5,254.00	\$ 5,254.00	\$ 5,254.00	\$ 31,524.00
9 Admin Cost	Successor Agency	Successor Agency/ Oversight Board	\$ 164,800.00	Admin	\$ 164,800.00	\$ 13,734.00	\$ 13,734.00	\$ 13,734.00	\$ 13,734.00	\$ 13,734.00	\$ 13,734.00	\$ 13,734.00	\$ 13,734.00	\$ 13,734.00	\$ 13,734.00	\$ 13,734.00	\$ 82,404.00
10 Admin Cost	Successor Agency	Successor Agency/ Oversight Board	\$ 22,150.00	Admin	\$ 22,150.00	\$ 1,846.00	\$ 1,846.00	\$ 1,846.00	\$ 1,846.00	\$ 1,846.00	\$ 1,846.00	\$ 1,846.00	\$ 1,846.00	\$ 1,846.00	\$ 1,846.00	\$ 1,846.00	\$ 11,076.00
11 City Advance 1982 (Industrial)	City of Torrance	Non-housing improvements	\$ 57,516.90	RP TTF	\$ 57,516.90	\$ 57,516.90											\$ 57,516.90
12 City Advance 1985 (Industrial)	City of Torrance	Non-housing improvements	\$ 49,438,665.31	RP TTF	\$ 6,600,450.10	\$ 6,600,450.10											\$ 6,600,450.10
13 Advance from County 1992-2011 (Downtown)	County of Los Angeles	County Pass-Through Tax Inc Agreement	\$ 20,770,044.43	RP TTF													
14 County Pass Thru-Deferred Interest (Downtown)	City of Torrance	County Pass-Through Tax Inc Agreement	\$ 376,969.57	RP TTF													
15 Professional/Technical Service (Downtown)	City of Torrance	landscaping contract	\$ 22,000.00	RP TTF	\$ 22,000.00	\$ 1,833.33	\$ 1,833.33	\$ 1,833.33	\$ 1,833.33	\$ 1,833.33	\$ 1,833.33	\$ 1,833.33	\$ 1,833.33	\$ 1,833.33	\$ 1,833.33	\$ 1,833.33	\$ 11,000.00
16 Professional/Technical Service (Downtown)	City of Torrance	sales tax reimbursement - DTMA	\$ 16,500.00	RP TTF	\$ 16,500.00	\$ 1,375.00	\$ 1,375.00	\$ 1,375.00	\$ 1,375.00	\$ 1,375.00	\$ 1,375.00	\$ 1,375.00	\$ 1,375.00	\$ 1,375.00	\$ 1,375.00	\$ 1,375.00	\$ 8,250.00
17 Light and Power (Downtown)	City of Torrance	Plaza del Prado parking structure lights	\$ 4,800.00	RP TTF	\$ 4,800.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 2,400.00
18 Light and Power (Downtown)	Southern CA Edison	Downtown street lights	\$ 10,600.00	RP TTF	\$ 10,600.00	\$ 883.35	\$ 883.33	\$ 883.33	\$ 883.33	\$ 883.33	\$ 883.33	\$ 883.33	\$ 883.33	\$ 883.33	\$ 883.33	\$ 883.33	\$ 5,300.00
TOTAL			\$ 117,146,282.99		\$ 11,994,418.00	\$ 8,635,284.68	\$ 25,908.66	\$ 2,304,286.79	\$ 25,908.66	\$ 25,908.66	\$ 25,908.68	\$ 25,908.66	\$ 25,908.66	\$ 25,908.68	\$ 25,908.68	\$ 25,908.68	\$ 11,043,206.13



EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 11 2012

Kenneth Flewellyn, Assistant Finance Director
City of Torrance
3031 Torrance Boulevard
Torrance, CA 90503

Dear Mr. Flewellyn:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Torrance (City) Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 30, 2012, for the periods January through June 2012 and July through December 2012. Finance staff recently contacted you for further clarification of items listed in the ROPS.

HSC section 34171 (d) lists enforceable obligations characteristics. Based on our application of the law, we do not believe the following items qualify as Enforceable Obligations (EO):

January through June 2012 ROPS

- Administrative expenses of \$20,198 (see Attachment A). The HSC section 34171 (b) limits the 2011-12 administrative cost allowance to five percent of the property tax allocated to the successor agency or \$250,000, whichever is greater. Therefore, \$20,198 of the claimed \$270,198 is not allowed.

July through December 2012 ROPS

- Item Nos. 11 and 12 – City advances totaling \$6.7 million. HSC section 34171 (d) (2) states that loans between the entity that created the redevelopment agency (RDA) and the former RDA are only enforceable if made within the first two years of the RDA's existence. It is our understanding the two City's advances were made in 1982 and 1983 whereas the RDA was created in the 1964.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for your reconsideration. This action will cause the specific ROPS items noted above to be ineffective until Finance approval. Furthermore, items listed on future ROPS will be subject to review and may be denied as EOs.

Department of Finance may continue to review items on the ROPS in addition to those mentioned above and identify additional issues. We will provide separate notice if we are requesting further modifications to the ROPS. It is our intent to provide an approval notice with regard to each ROPS prior to the June 1 property tax distribution date.

Mr. Flewellyn
May 11, 2012
Page 2

If you believe we have reached this conclusion in error, please provide further evidence that the items questioned above meet the definition of an EO and submit to the following email address:

Redevelopment_Administration@dof.ca.gov.

Please direct inquiries to Chikako Takagi-Galamba, Supervisor or Wendy Griffe, Lead Analyst at (916) 322-2985.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Hill", written in a cursive style.

MARK HILL
Program Budget Manager

cc: Ms. Kristina Burns, Program Specialist III, Los Angeles County

Mr. Flewellyn
May 11, 2012
Page 4

Attachment A
Administrative Cost Calculation
For the period January – June

Allowed Administrative Costs Calculation	
Total RPTTF Funding (Line items 1, 2, 3, 7, and 15)	1,032,648
Less: Administrative expenses (line item 15 on page 1)	20,198
Total funded from RPTTF:	1,012,450
5% of tax allocation:	50,622
Allowed Administrative Costs (Greater of 5% or \$250,000):	\$ 250,000

Line items Considered Administrative Costs			
Page	Item No.	Debt Obligation	
1	8	Administrative Cost (Downtown)	63,050
1	9	Administrative Cost (Industrial)	164,800
1	10	Administrative Cost (Skypark)	22,150
1		Administrative Costs from RPTTF	20,198
		Total:	270,198
		Administrative Cap:	250,000
		Amount Denied (Total - Administrative Cap):	\$ 20,198

**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 25, 2012

Kenneth Flewellyn
Assistant Finance Director
City of Torrance
3031 Torrance Boulevard
Torrance, CA 90503

Dear Mr. Flewellyn:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Torrance Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on April 30, 2012 for periods of January to June 2012 and July to December 2012. Finance is assuming appropriate oversight board approval. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

Except for items disallowed in whole or in part as enforceable obligations noted in Finance's letter dated May 11, 2012, Department of Finance is approving the remaining items listed in your ROPS for both periods. This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund (RPTTF) for the June 1, 2012 property tax allocations. If your oversight board disagrees with our determination with respect to any items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a subsequent review, if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please refer to Exhibit 12 at http://www.dof.ca.gov/assembly_bills_26-27/view.php for the amount of RPTTF that was approved by Finance based on the schedule submitted.

As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. This amount is not and never was an unlimited funding source. Therefore as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available in the RPTTF.

Please direct inquiries to Chikako Galamba-Takagi, Supervisor or Wendy Griffe, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: Ms. Kristina Burns, Program Specialist III, Office of the Los Angeles County Auditor

Board Meeting of
June 20, 2012

Honorable Chair and Members
 of the City of Torrance Oversight Board
 City Hall
 Torrance, California

Members of the Board:

**SUBJECT: Properties owned by former Redevelopment Agency –
 Information Item**

RECOMMENDATION

Recommendation that the Oversight Board accept and file the information item with regard to procedure for retention and disposition of former Redevelopment Agency Owned properties.

BACKGROUND

On April 27, 2012, Successor Agency staff brought an information item before the Oversight Board (Board) listing and describing properties owned by the former Redevelopment Agency of the City of Torrance. Section 34181 of the Health and Safety Code states the following:

34181. The oversight board shall direct the successor agency to do all of the following:

(a) Dispose of all assets and properties of the former redevelopment agency that were funded by tax increment revenues of the dissolved redevelopment agency; provided, however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, and fire stations, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset. Any compensation to be provided to the successor agency for the transfer of the asset shall be governed by the agreements relating to the construction or use of that asset. Disposal shall be done expeditiously and in a manner aimed at maximizing value.

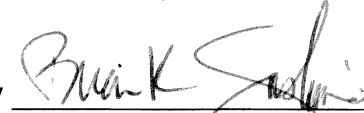
ANALYSIS

Section 34181 does not establish a process or procedure for the manner in which the property should be disposed other than "Disposal shall be done expeditiously and in a manner aimed at maximizing value". Section 34181 also states that it may "*direct the successor agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, and fire stations, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset.*"

In order to move the process forward, Successor Agency staff will be developing a transmittal to the Successor Agency in charge of taking inventory of the property assets of the former Redevelopment Agency, stating the purpose for its use and making a recommendation to the Successor Agency, which properties are recommended for retention for public purpose and which properties should be disposed of pursuant to Section 34181. If the Successor Agency concurs with the staff recommendation, an action item will be before this Board for their review and recommendation. The transmittal should be before the Successor Agency in late June or early July and then before the Oversight Board soon thereafter.

Respectfully submitted,

By



Brian K. Sunshine
Assistant to the City Manager
City of Torrance

Noted:



LeRoy Jackson
City Manager
City of Torrance

Attachment: Oversight Board Item dated April 27, 2012

Oversight Board Meeting of
April 27, 2012

Honorable Chair and Members
of the City of Torrance Oversight Board
City Hall
Torrance, California

SUBJECT: Inventory of former Redevelopment Agency owned property

RECOMMENDATION

A recommendation that the Torrance Oversight Board accept and review properties previously owned by the Redevelopment Agency of the City of Torrance and transferred to the City of Torrance acting as Successor Agency.

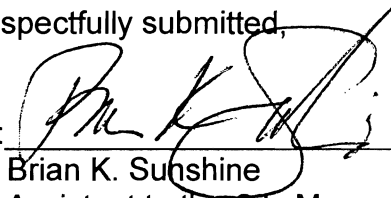
BACKGROUND AND ANALYSIS

On February 1, 2012, all assets, properties, contracts, leases and records of the former Redevelopment Agency of the City of Torrance were transferred by operation of law to the Successor Agency. The Successor Agency in the case of the former Torrance Agency is the City of Torrance. An Oversight Board has been established pursuant to Health and Safety Code Section 34179 to assist in the close out and wind down of the dissolved Redevelopment Agency.

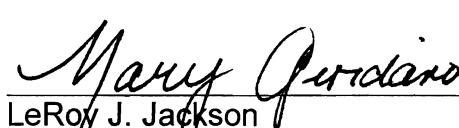

The information being transmitted to the Board is an inventory of property assets owned by the former Redevelopment Agency and transferred to the City of Torrance as Successor Agency. No action is required by the Oversight Board at this time; the purpose of this transmittal is to assist the Members by familiarizing them with the property assets in case future action is required.

Respectfully submitted,

By:


Brian K. Sunshine
Assistant to the City Manager
City of Torrance

Noted:


for  LeRoy J. Jackson
City Manager
City of Torrance

Attachment:
Property inventory

Inventory of former Agency owned properties
Assessor's Parcel Number (APN)

223rd Street and Abalone (APN7357-029-903)

Residual parcel from street improvements in the Industrial Redevelopment Area. Parcel size is approximately 20,470 square feet and houses a water well and street entry sign. **(Attachment A)**

Torrance Boulevard and Bow (APN 7355-032-900)

Former railroad right-of-way. Parcel size is approximately 21,380 square feet. **(Attachment B)**

1956 Torrance Boulevard (APN 7355-027-914, 915)

Former candy shop site. Purchased to enhance parking in the Downtown Redevelopment project area. Combined site size is approximately 6,180 square feet. Currently the site is encumbered with parking lot license agreements to the following businesses:

Dr. Campbell

Yuzu Restaurant

Niwatori Restaurant

Tortilla Cantina Restaurant

(Attachment C)

1312 Cabrillo (APN 7355-209-900)

Former Torrance Tire site, purchased to enhance parking in the Downtown Torrance Redevelopment Project area. Site size is approximately 4,080 square feet. Site is a public parking lot. **(Attachment D)**

1339 Post (APN 7355-026-903)

Currently under Lease to the Retired Senior Volunteer program. Lot is approximately 2,400 square feet with building on site. **(Attachment E)**

23750 and 23755 Madison Street (APN 7377-010-900 and 7352-022-900)

Both parcels serve as parking lots that were created as part of the Meadow Park Redevelopment area. 7377-010-900 is approximately 43,124 square feet and 7352-022-900 is approximately 42,100 square feet. Both lots serve the businesses adjacent to the respective lots. The City owns the lots and assesses a maintenance cost back to the property owners who have rights to parking through individual deeds. **(Attachments F and G)**

1919 Torrance Boulevard (APN 7352-022-900)

This parcel is part of the areas assembled in the Industrial Redevelopment area that created the Honda Headquarters. The approximately 42,100 square foot parcel is landlocked on the Honda campus and remains publicly owned due to soils issues that date back to the inception of the project. The site makes up a landscaping area on the Honda campus. **(Attachment H)**

Inventory of properties purchased with 20% Housing Set Aside

1316 Cabrillo Avenue (APN 7355-029-901, 902)

Parcel improved with office/warehouse space. Property was purchased with Low-Mod 20% set-aside funds for a future project. Interim use by Torrance Theater Company. **(Attachment I)**

1640 Cabrillo Avenue (APN 7355-030-901)

Former Class Pest site, now vacant. Property was purchased with Low-Mod 20% set-aside funds for a future project. City currently reviewing proposals to create a mixed use rental project. **(Attachment J)**

1421 Cravens Avenue (APN 7355-022-033)

Coleman Court senior housing facility, property is ground leased to third party. Purchased with Housing Set Aside. Lease originated 1987 and the term is through July, 1 2041. **(Attachment K)**

1215 El Prado (APN 7355-027-142)

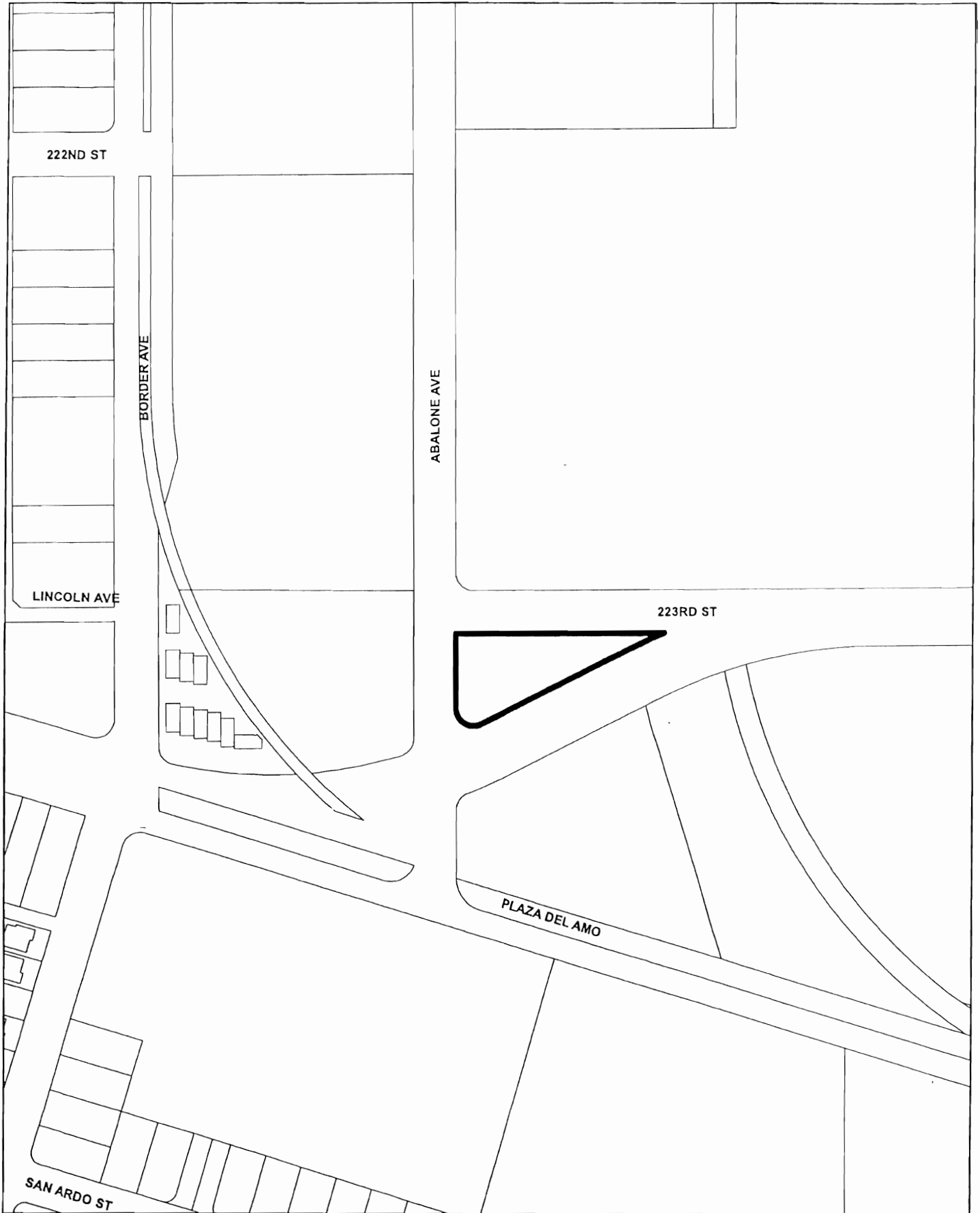
Parcel is improved with a mixed use structure that was rehabilitated with retail on the first floor and low to moderate income rental units above. Property is ground leased (expires 7/20/2029) to a third party for leasing of retail space and management of apartments. Purchased with Housing Set Aside. **(Attachment L)**

22520 Ocean Avenue (APN 7368-001-031)

Property is Leased through United Cerebral Palsy, Lease origination is 1984. Original term through April 22, 2007; Lease currently renews annually. Purchased through HUD Section 202 **(Attachment M)**

3851 W. 226th Street (APN 7368-001-031)

Property has a senior housing facility on site, leased to Torrance Senior Housing. Purchased through Housing Set Aside. Lease originated in 1988 and the term is through July 1, 2041. **(Attachment N)**

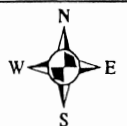


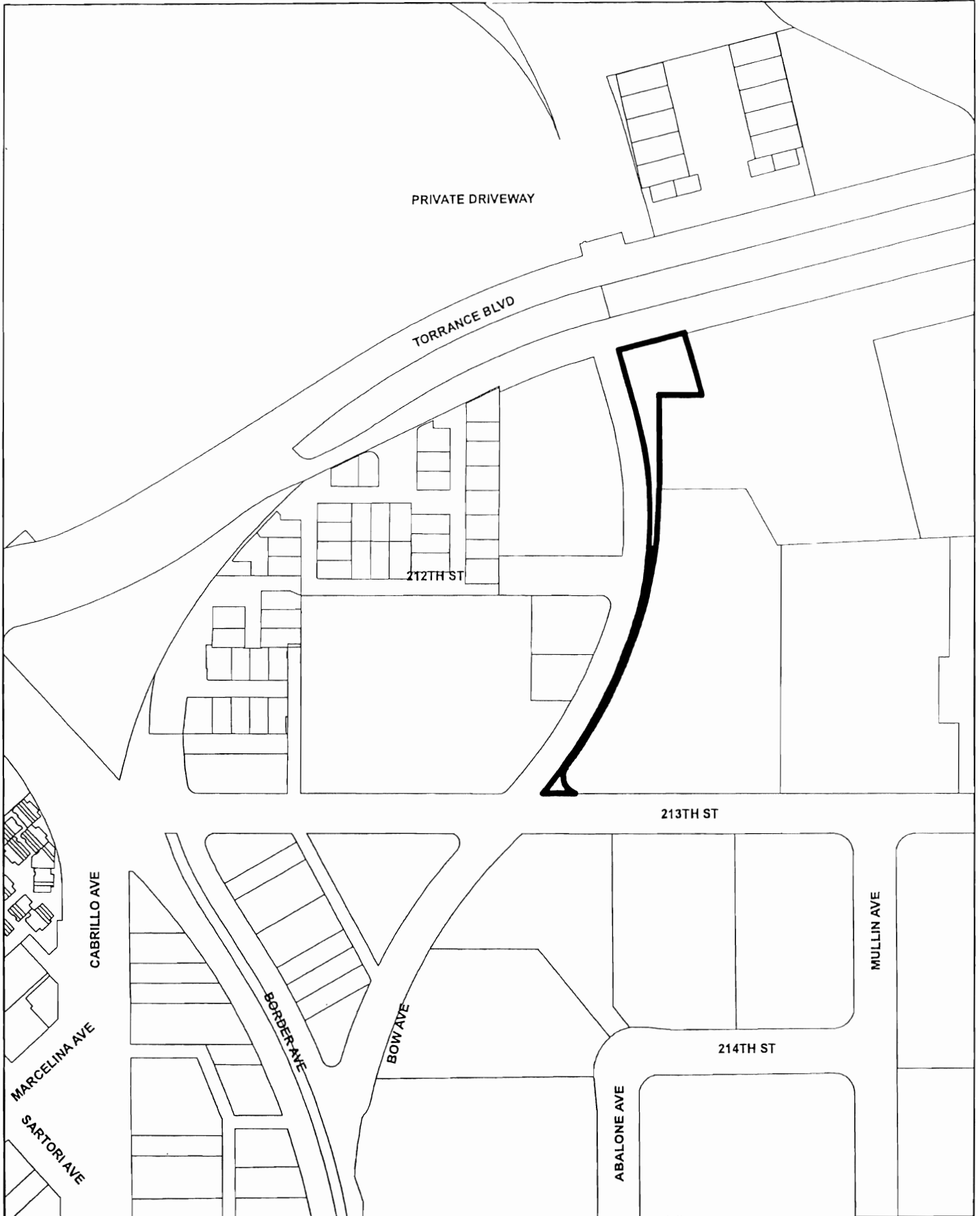
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Lines and photos are approximate, not to be used for establishing absolute or relative positions



7357-029-903



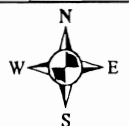


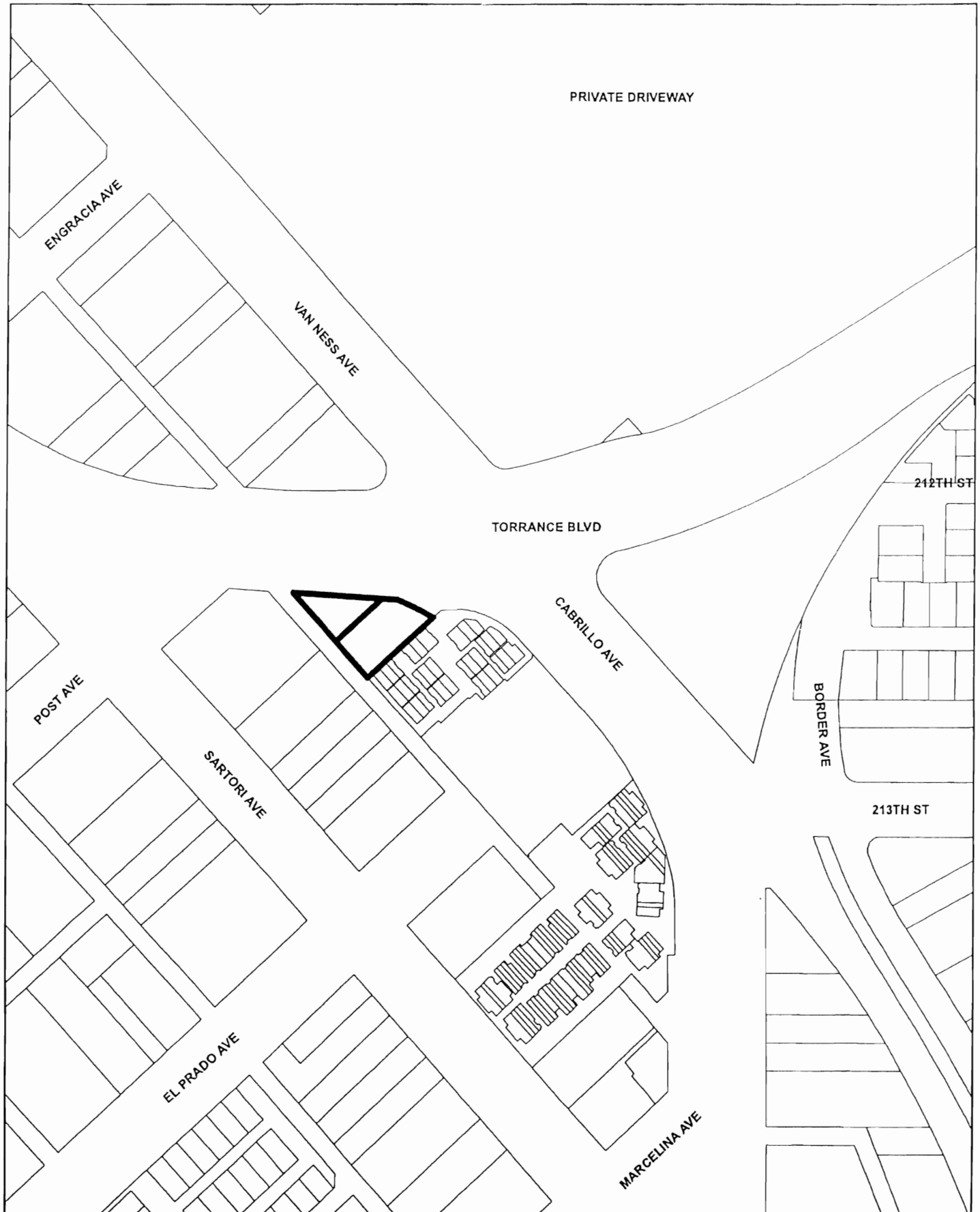
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7355-032-900



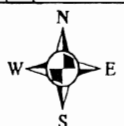


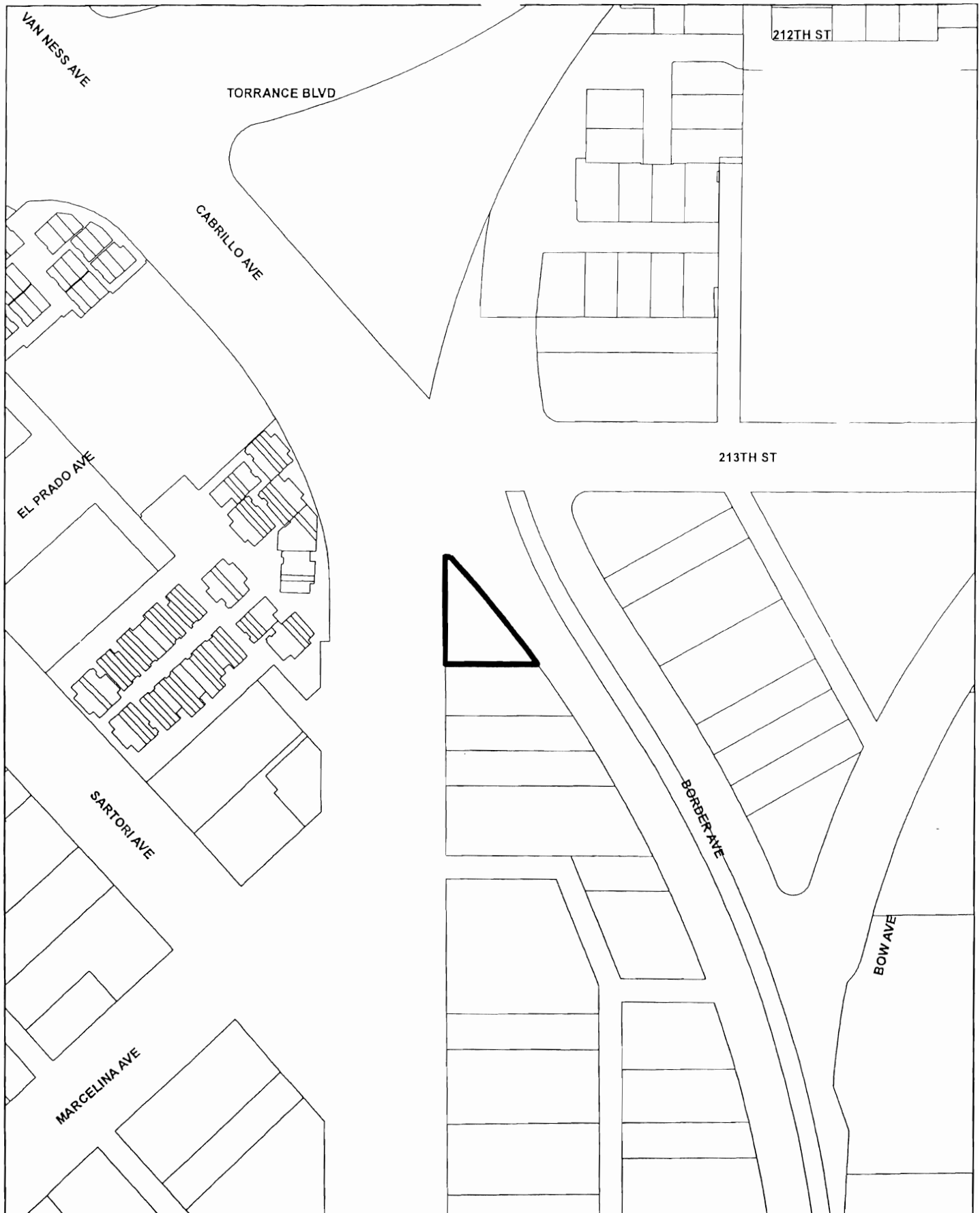
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7355-027-914

7355-027-915





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7355-029-900





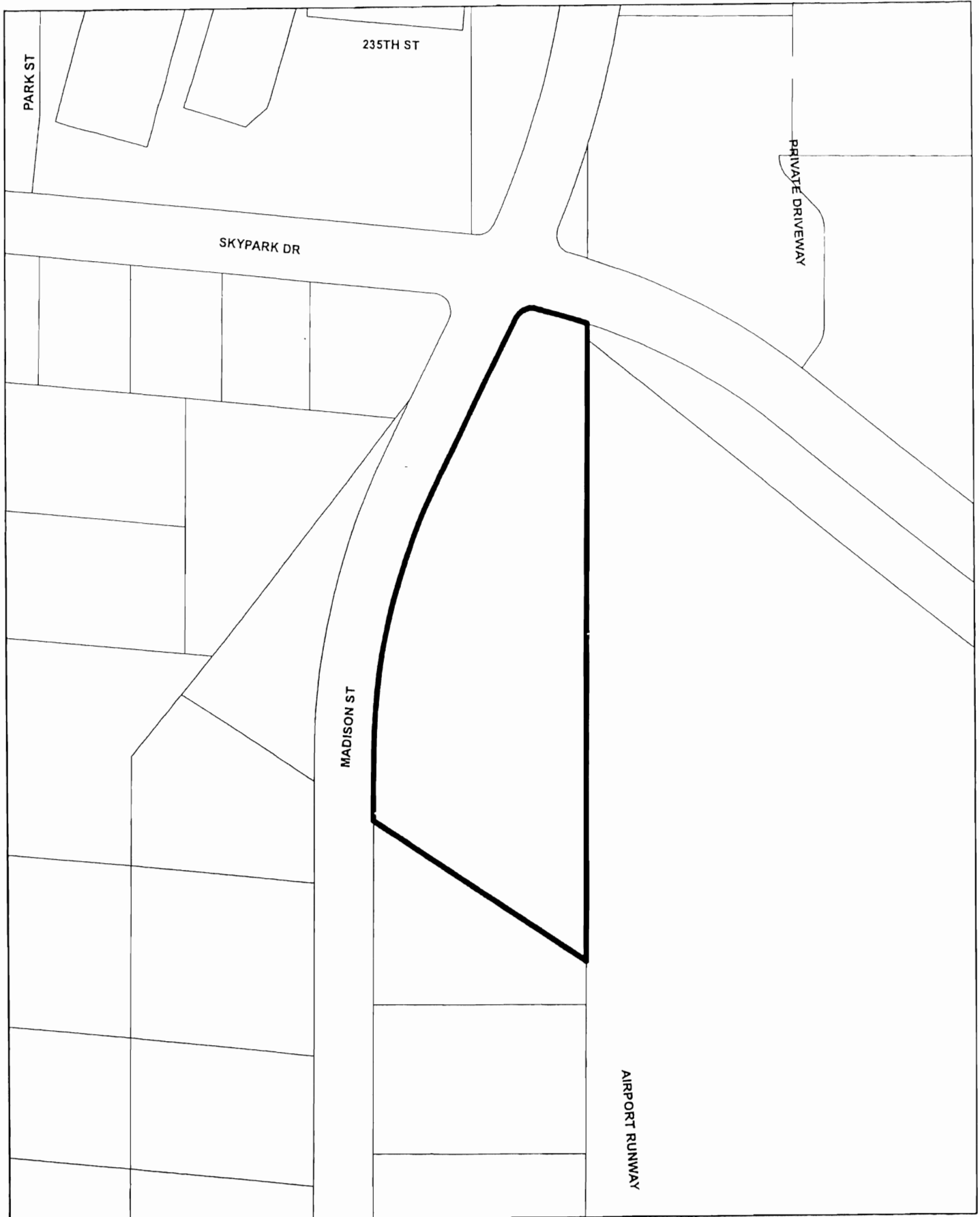
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Jeffrey W. Gibson
Community Development Department

7355-026-903





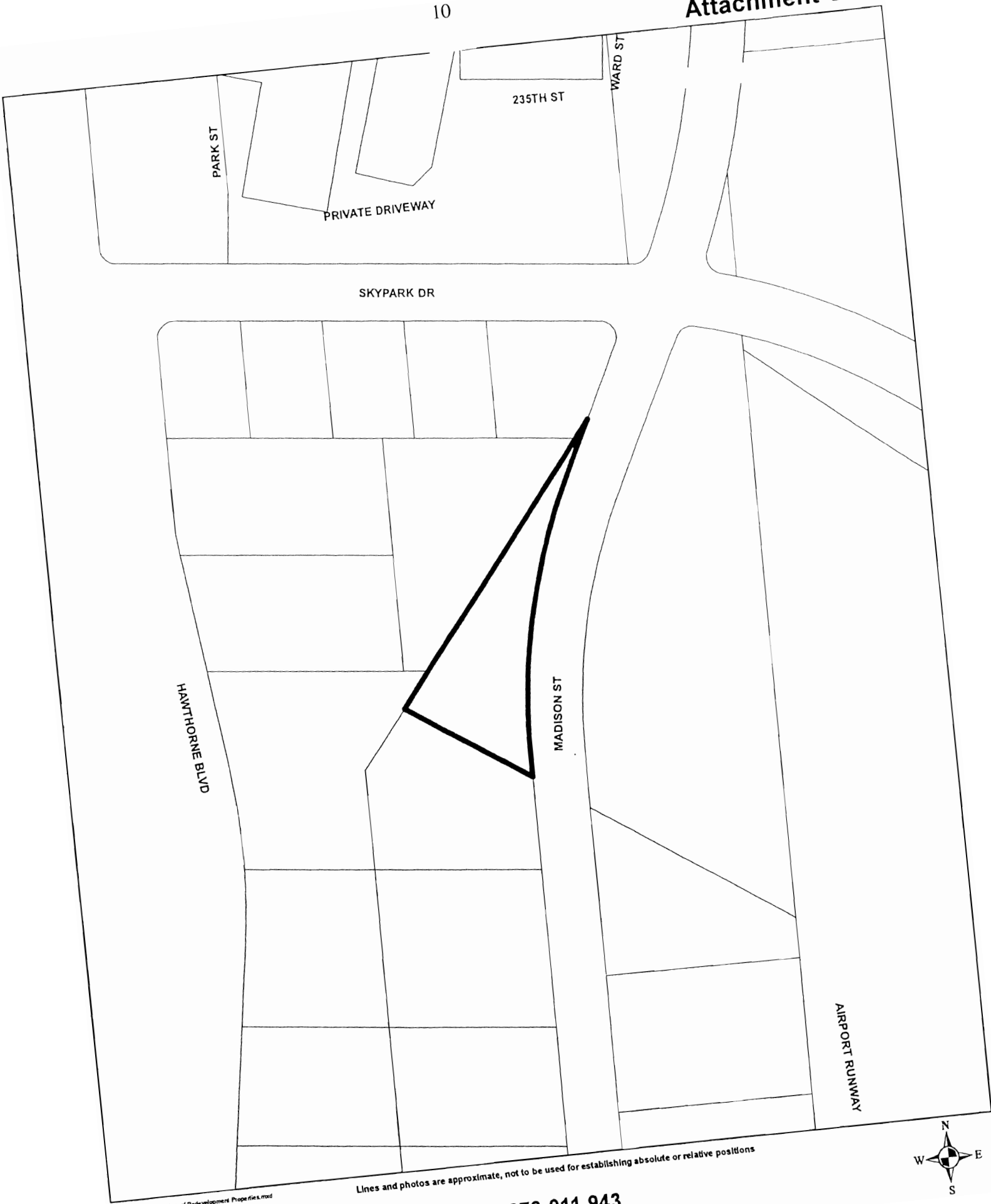
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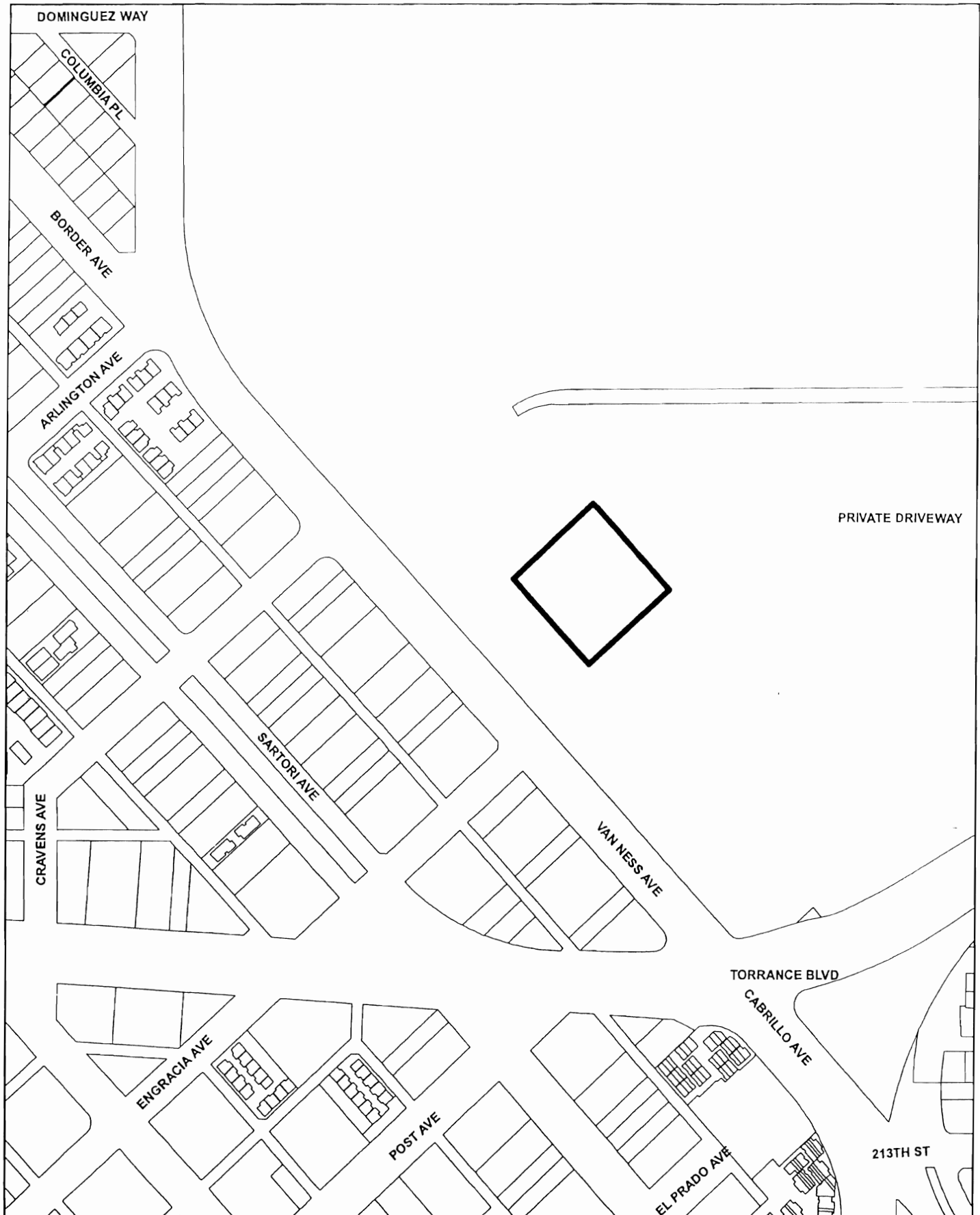
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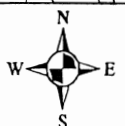


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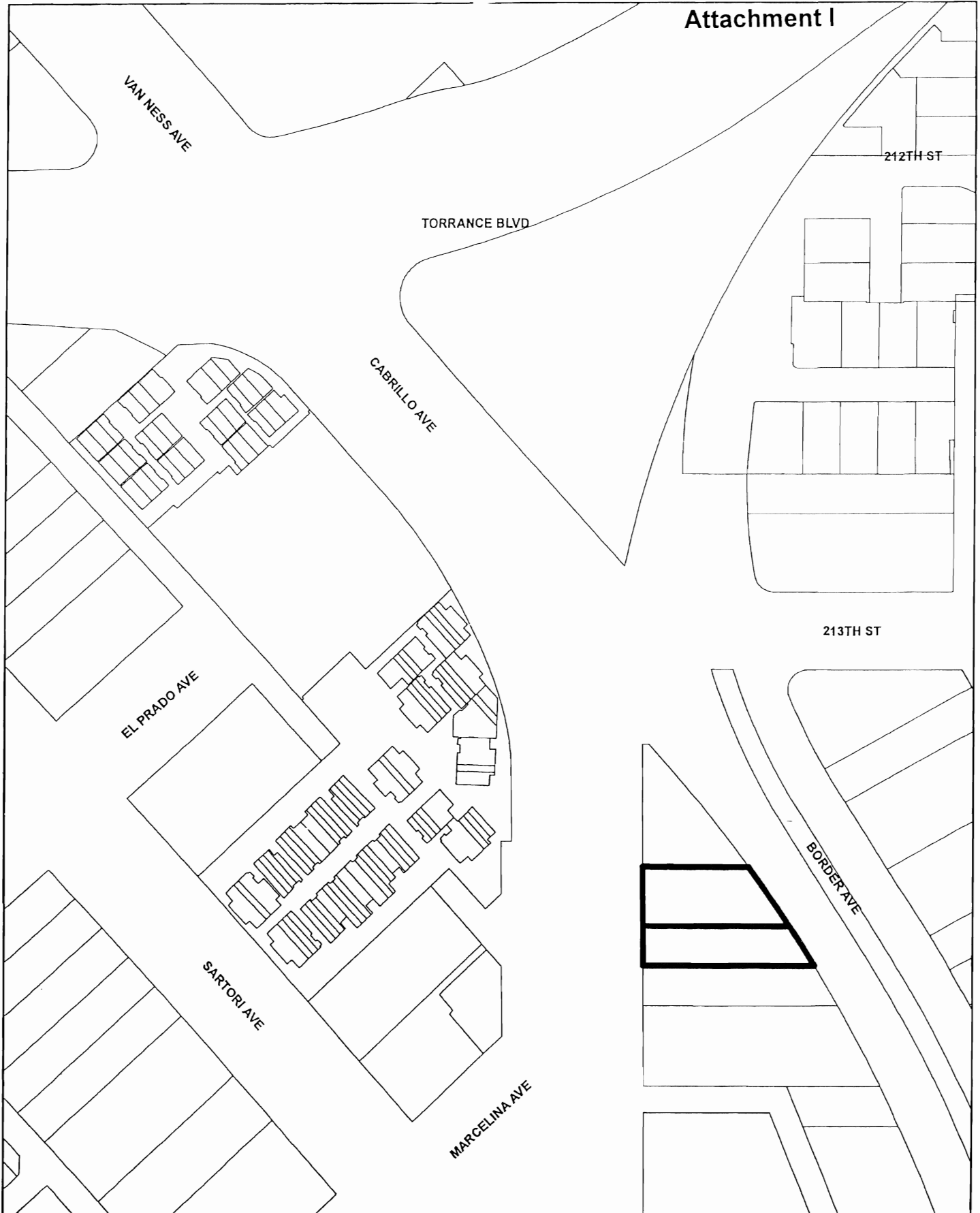
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7352-022-900



Attachment I

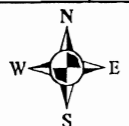


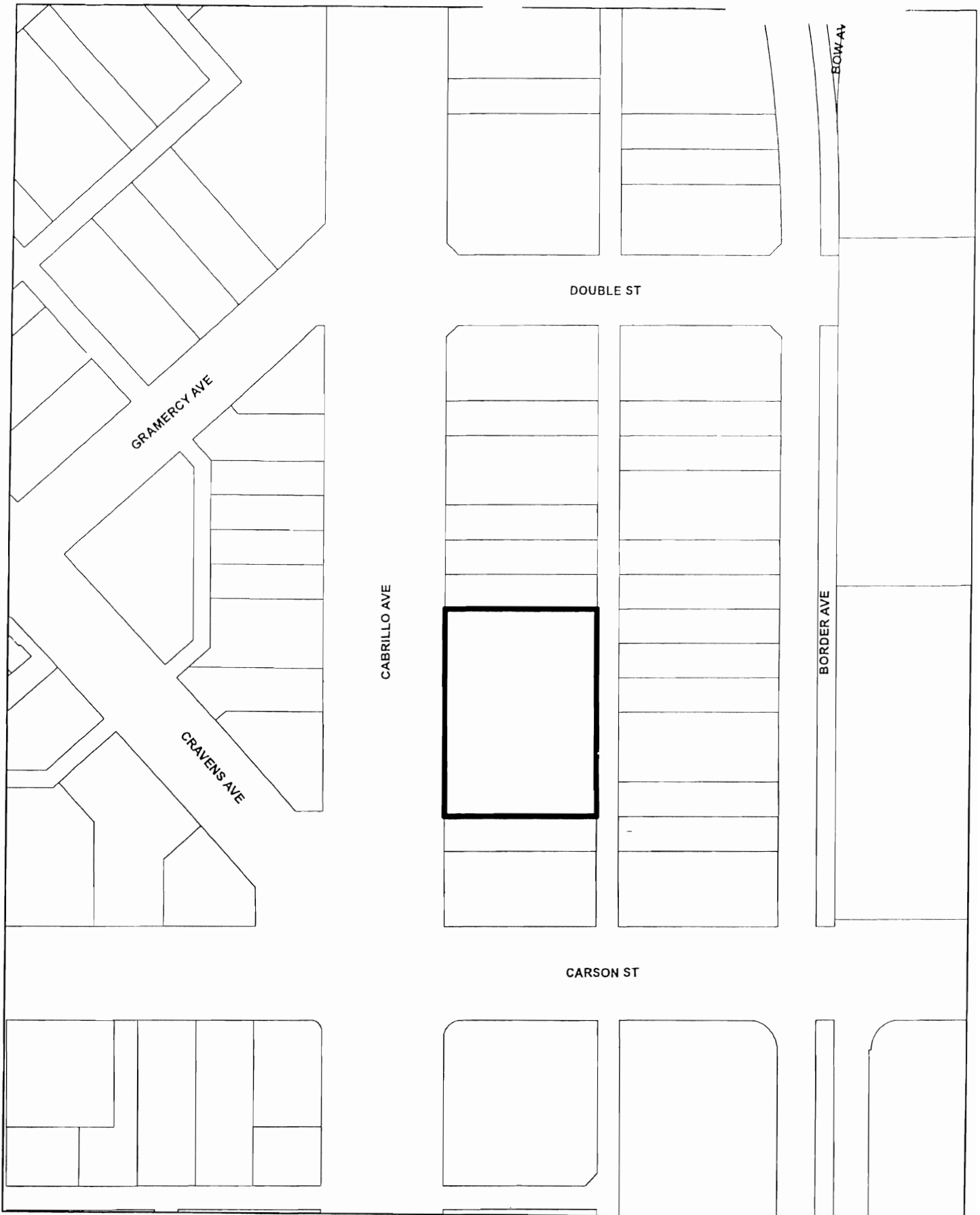
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7355-029-901
7355-029-902



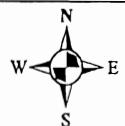


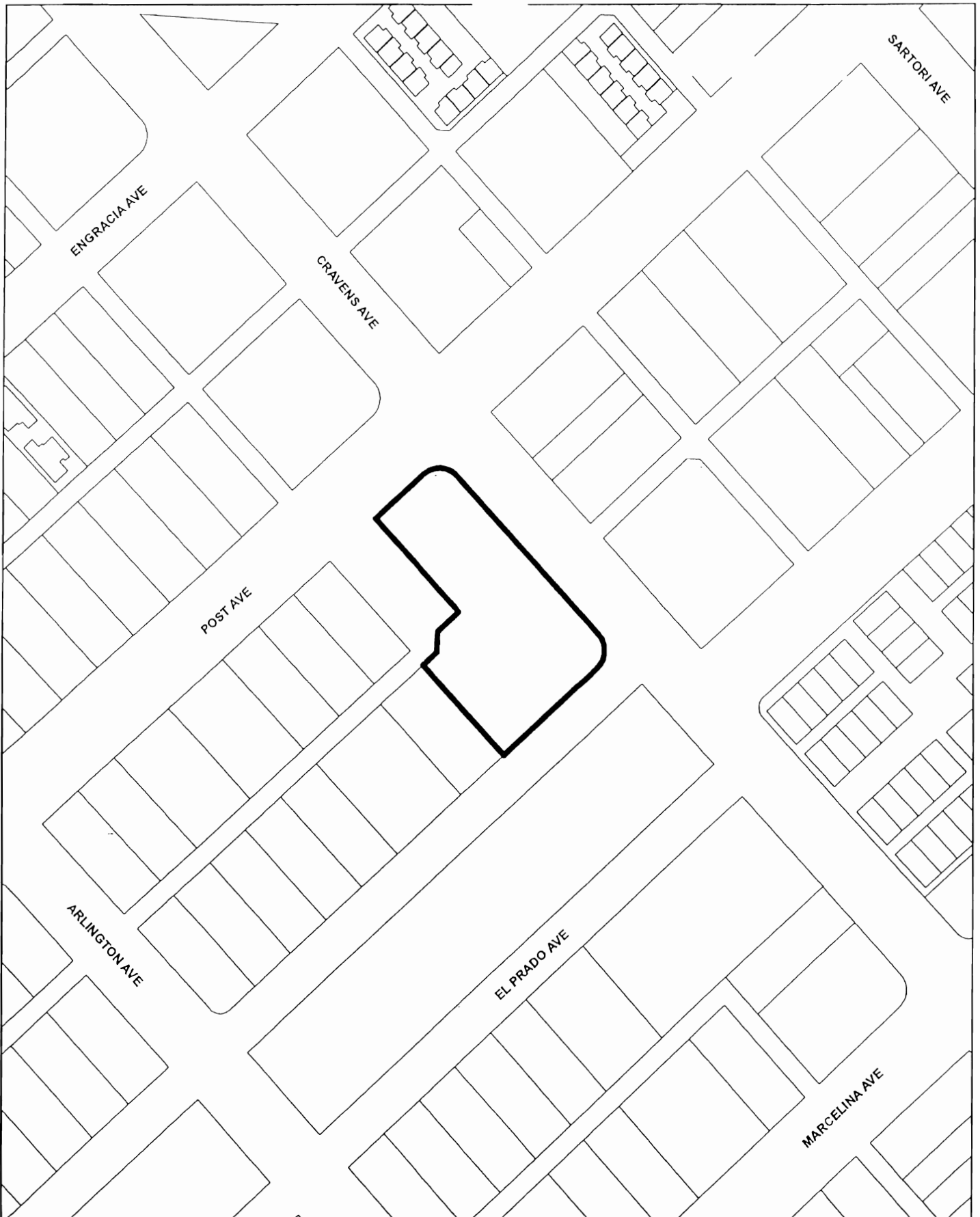
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7355-030-901





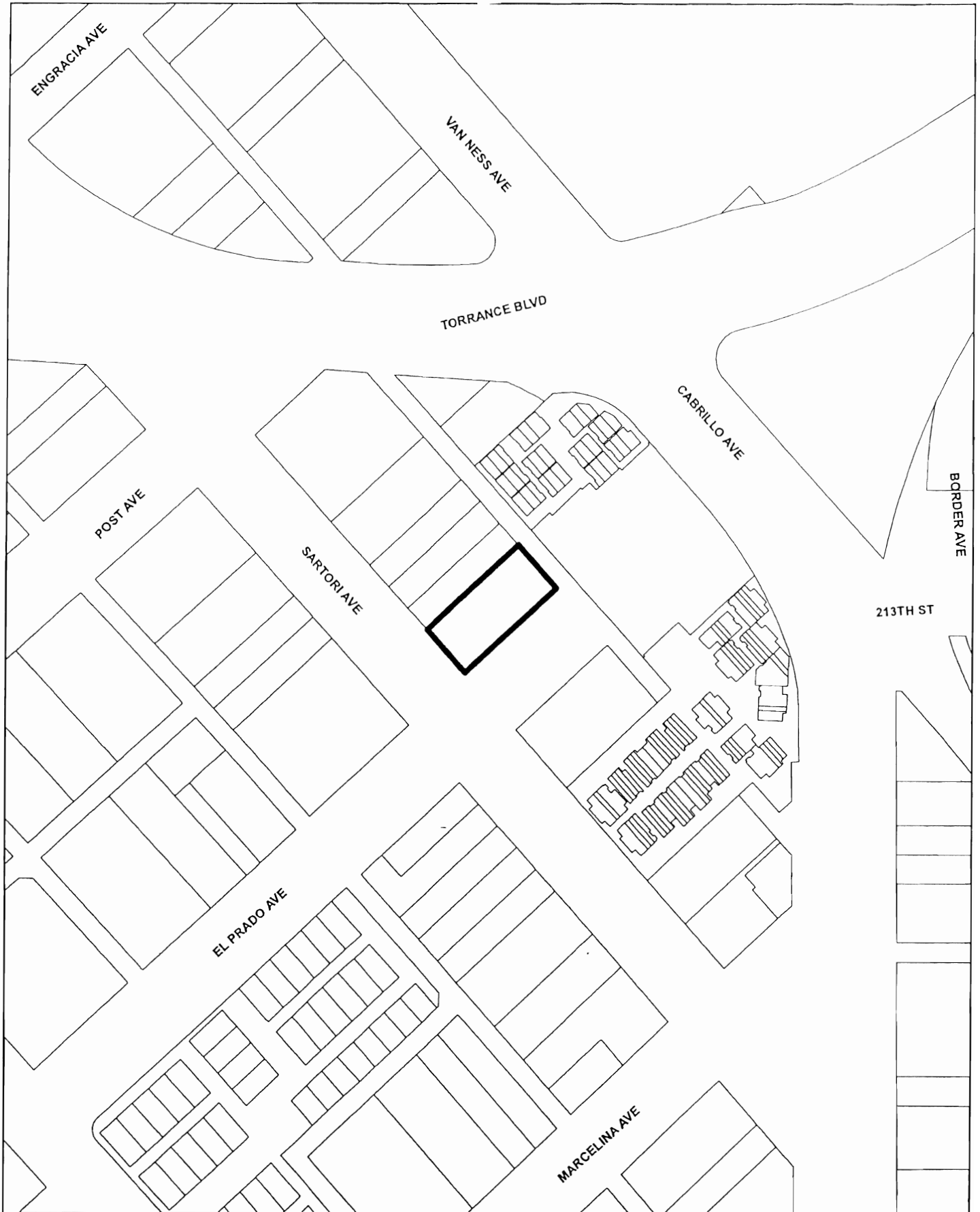
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7355-022-033



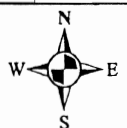


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7355-027-142





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7368-001-031



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7368-001-032

